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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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<b>2003 Assembly Bill 746</b>	<b>Assembly Substitute Amendment 1, as Amended by Senate Amendment 1</b>
<i>Memo published: February 24, 2004</i>	<i>Contact: Joyce L. Kiel, Senior Staff Attorney (266-3137)</i>

Under current law, the City of Milwaukee, the University of Wisconsin (UW)-Milwaukee, the Milwaukee Area Technical College, and the UW-Parkside may establish and operate a charter school or contract with a person to operate a charter school. These are sometimes referred to as independent charter schools or (2r) charter schools (named after s. 118.40 (2r), Stats., which authorized their creation). (2r) charter schools established by any of the first three entities must be located in the Milwaukee Public Schools (MPS) district and are sometimes referred to as Milwaukee (2r) charter schools. The (2r) charter school established by the UW-Parkside must be located in the county in which the UW-Parkside is situated (Kenosha County) or in an adjacent county. The UW-Parkside's (2r) charter school currently is located in the Racine Unified School District (RUSD).

2003 Assembly Bill 746 and Assembly Substitute Amendment 1 to the bill, as amended by Senate Amendment 1 to the substitute amendment, amend current law with respect to: (a) residency requirements to attend a (2r) charter school; (b) additional eligibility criteria to attend a Milwaukee (2r) charter school; and (c) state aid, including: (i) counting pupils, (ii) payments to (2r) charter schools and to RUSD for certain pupils attending the UW-Parkside (2r) charter school, (iii) reductions in state aid to school districts, (iv) lapsing of state aid reductions, and (v) levy authority of school districts with respect to state aid reductions. The attached table compares current law, the bill, and the substitute amendment, as amended by Senate Amendment 1, with respect to each of these issues.

The provisions described in the table relating to amending eligibility criteria to attend a (2r) charter school first apply to pupils attending (2r) charter schools in the 2004-05 school year. The bill and substitute amendment contain identical provisions regarding eligibility to attend a Milwaukee (2r) charter school which has been converted from a private school under the Milwaukee Parental Choice Program (MPCP) to a Milwaukee (2r) charter school. These provisions apply to any such future conversions but also apply retroactively to any MPCP school converted to a Milwaukee (2r) charter school before the effective date of the bill.

The provisions relating to state aid and aid payments to (2r) charter schools first apply to state aid and aid payments made in the 2004-05 school year.

**Legislative History**

The Assembly Committee on Education Reform introduced Assembly Substitute Amendment 1 to the bill and then recommended adoption of the substitute amendment on a vote of Ayes, 8; Noes, 4. The committee then recommended passage of the bill, as amended, on a vote of Ayes, 8; Noes, 4.

The Assembly adopted Assembly Substitute Amendment 1 and then passed the bill, as amended, on a vote of Ayes, 62; Noes, 33. The Senate Committee on Organization recommended concurrence on a vote of Ayes, 3; Noes, 2. The bill was referred to the Joint Committee on Finance which introduced and recommended adoption of Senate Amendment 1 on a vote of Ayes, 15; Noes, 0. The Joint Committee on Finance then recommended concurrence, as amended, on a vote of Ayes, 13; Noes, 2.

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Attachment

## ATTACHMENT

### **Comparison of Current Law, 2003 Assembly Bill 746, and Assembly Substitute Amendment 1 to 2003 Assembly Bill 746, as Amended by Senate Amendment 1, Relating to Independent (2r) Charter Schools**

	<i><b>Current Law</b></i>	<i><b>2003 Assembly Bill 746</b></i>	<i><b>Assembly Substitute Amendment 1 to Assembly Bill 746, as Amended by Senate Amendment 1</b></i>
<i><b>Residency requirement to attend Milwaukee (2r) charter school.<sup>1</sup></b></i>	1. Milwaukee Public Schools (MPS) residents only.	1. MPS residents. 2. If private Milwaukee Parental Choice Program (MPCP) school converted to Milwaukee (2r) charter school, pupils who attended that school as private school and siblings of such pupils, even if non-MPS residents. 3. Non-MPS residents, if space available after accommodating 1. and 2., above.	Same as AB 746.
<i><b>Residency requirement to attend UW-Parkside (2r) charter school.</b></i>	1. Residents of school district in which UW-Parkside (2r) charter school located only, that is, currently, Racine Unified School District (RUSD).	1. RUSD residents. 2. Non-RUSD residents, if space available after accommodating 1., above.	Same as AB 746.

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<sup>1</sup> “Milwaukee (2r) charter school” refers to a charter school under s. 118.40 (2r), Stats., established and operated by the University of Wisconsin (UW)-Milwaukee, the City of Milwaukee, or the Milwaukee Area Technical College (or for which one of these entities has contracted with a person to operate).

	<i>Current Law</i>	<i>2003 Assembly Bill 746</i>	<i>Assembly Substitute Amendment 1 to Assembly Bill 746, as Amended by Senate Amendment 1</i>
<i>Additional eligibility criteria to attend Milwaukee (2r) charter school.</i>	In previous school year, must have been one of the following: 1. Enrolled in MPS. 2. Attended private school under the MPCP. 3. Enrolled in grades K to 3 in private school in City of Milwaukee, other than under the MPCP. 4. Not enrolled in school. 5. Enrolled in a (2r) charter school.	Repeals these additional eligibility criteria.	Same as AB 746.
<u>STATE AID</u> <u>1. Counting Pupils</u>	1. Pupil attending (2r) charter school not counted by school district, e.g., for state aid and revenue limit purposes.	1. Same as current law.	1. Same as current law, except if pupil attending (2r) charter school located in school district other than school district of pupil's residence (nonresident (2r) charter school), pupil counted by resident school district.

	<i>Current Law</i>	<i>2003 Assembly Bill 746</i>	<i>Assembly Substitute Amendment 1 to Assembly Bill 746, as Amended by Senate Amendment 1</i>
<u>2. Payments</u>	<p>2. a. (2r) charter school receives per pupil: sum of amount paid per pupil in previous school year and amount of revenue increase per pupil allowed under revenue limit, times number of pupils attending that (2r) charter school. (In 2003-04 school year, \$7,050 per pupil; in 2004-05 school year, \$7,111 per pupil.)</p> <p>b. RUSD receives amount equal to: general school aid amount per pupil to which RUSD is eligible times number of pupils attending UW-Parkside (2r) charter school who were previously enrolled in RUSD.</p>	<p>2. Same as current law.</p>	<p>2. Same as current law.</p>

	<i>Current Law</i>	<i>2003 Assembly Bill 746</i>	<i>Assembly Substitute Amendment 1 to Assembly Bill 746, as Amended by Senate Amendment 1</i>
<u>3. Aid Reductions</u>	3. a. Section 121.08 aid (general school aid) for all school districts is reduced proportionally by amounts paid in item 2., above (that is, payments to (2r) charter schools and payment to RUSD for previous enrollees), compared to general school aids. <sup>2</sup>	3. a. In addition to reductions under current law for all school districts (see item 3. a., under current law), for pupils attending nonresident (2r) charter school, also reduce general school aid to resident school district by amount paid to (2r) charter schools for these nonresident pupils.  b. If general school aids insufficient to cover reduction for pupils attending nonresident (2r) charter school, decrease other state aids to resident school district to cover this amount.	3. a. Same as AB 746, except general school aid for all school districts is reduced proportionally by the total of amounts paid in item 2., above (that is, payments to (2r) charter schools and payment to RUSD for previous enrollees), <i>minus the total of aid reductions to resident school districts for pupils attending nonresident (2r) charter schools</i> , compared to the general school aid. <sup>2</sup> (Senate Amendment 1 to the substitute amendment makes the change shown in italics so that the general fund does not profit from the additional reduction applicable to the resident school district under these circumstances.)  b. Same as AB 746.

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<sup>2</sup> In this calculation, the general school aid is calculated without the extra 45% reduction applicable to MPS because of payments under the Milwaukee Parental Choice Program.

	<i>Current Law</i>	<i>2003 Assembly Bill 746</i>	<i>Assembly Substitute Amendment 1 to Assembly Bill 746, as Amended by Senate Amendment 1</i>
<p><u>4. Lapsing of Funds</u></p> <p><u>5. Levy Authority</u></p>	<p>4. Aid reductions lapse to general fund--from which payments made to (2r) charter schools and RUSD under item 2., above.</p> <p>5. School districts permitted to increase levy by amount of general school aid reduction in item 3., above, to offset general school aid reduction.</p>	<p>c. If pupil attended nonresident (2r) charter school for partial school year, reduce aid in proportion to portion of school year attended the nonresident (2r) charter school.</p> <p>4. Not specified that aid reductions lapse to general fund.</p> <p>5. a. Same as current law with respect to general school aid reduction applicable to all school districts under item 3., under current law.</p> <p>b. However, resident school district cannot increase levy to offset aid reductions due to resident pupil attending non-resident (2r) charter school (as noted in item 3., above) because bill specifies that these aid reductions did not affect state aid for any other purpose.</p>	<p>c. Delete provision in bill about partial school year attendance. (Therefore, aid calculations will be based on pupil's status on pupil count dates.)</p> <p>4. Same as current law.</p> <p>5. a. Same as AB 746.</p> <p>b. Additionally permits resident school district to increase levy by amount of aid reductions in item 3., above, to recoup aids lost for pupils attending nonresident (2r) charter school.</p>

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